



There is a loophole on these limitations in that positions can be filled if the President determines it to be necessary. In conversation with the Committee staff it was indicated that the Committee felt strongly about this provision and wanted it to remain in the legislation as a possible offset against a more restrictive version of a Jensen type rider which prohibited the filling of vacancies with no executive department discretion. In considering whether the Agency should take any action it would appear that our principal personnel problem under these restrictions would be with respect to clerical positions. In this regard it is difficult to justify our needs as being different from the Government generally. In view of the Presidential discretion and in view of the fact that our problem would not be unique, I recommend that the Agency take no action with the Congress or elsewhere to seek exemption for CIA in the proposed legislation.

4. On the House side an amendment was approved by the Committee which requires the Director of the Bureau of the Budget to provide by regulation for the absorption by each agency of the cost of the increases within the limits of existing appropriations for the fiscal year in which the bill is approved. There are other amendments which prohibit the pay increase as being the basis for requiring separation of an individual by reduction in force or placing him in a leave without pay status. If these amendments, particularly the first, become a part of the law certainly each agency will have difficult problems but again I do not believe that the Agency is in an appropriate position to seek exemption from this amendment. I would recommend that we take no action to seek such exemption.

5. Under the House bill the GS-18 would be set at a figure of \$18,000 and under the Senate bill the figure for the GS-18 would be \$17,500. If either of these figures are approved, particularly the higher one, you may wish to consider some adjustments in the special executive position salaries within the Agency. Also it should be noted that the wording of the retroactive authority in both bills is such that, in my opinion, there could be no retroactive adjustment upward of salaries for any of our special executive positions.

  
Legislative Counsel

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